



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	SB0449	Title:	Fuel economy standards for state purchased vehicles
Primary Sponsor:	Gillan, Kim	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	unknown	unknown	unknown	unknown
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>unknown</u>	<u>unknown</u>	<u>unknown</u>	<u>unknown</u>

Description of Fiscal Impact: The bill requires state agencies to ensure agency owned vehicles exceed federal CAFÉ standards beginning January 1, 2009. The bill applies to agency fleets in their entirety, not just newly purchased vehicles. The bill also requires agencies to develop vehicle fleet energy conservation plans and file reports to be compiled by the Department of Administration on fuel efficiency measures. The potential cost of this legislation cannot be determined.

FISCAL ANALYSIS

Assumptions:

1. Current vehicle procurement processes consider total cost of ownership over the lifetime of a vehicle. This includes the purchase price of the vehicles in addition to the projected cost of fuel based upon the EPA rating of prospective vehicles. If the lowest cost vehicle in a fleet vehicle request for bid did not exceed the standards, but the total cost of ownership were still calculated to be less than that of vehicles that met the CAFÉ standards then costs could increase. If the lowest cost vehicle in a fleet vehicle request for bid did exceed the standards (or was the most fuel efficient), there would not likely be any change in costs because the vehicles would be purchased regardless of this bill.
2. Based on the variety, size, and age of fleets in state agencies, the cost of bringing existing fleets to exceed CAFÉ standards cannot be determined.

3. Section 3 requires each state agency to develop and implement a program to reduce the fuel consumption of agency vehicles. Agencies already consider the items listed in Section 3 when processing travel plans and requests. It is assumed that Section 3 could be accomplished by state agencies with existing resources.
4. Section 4 requires each agency to keep records to document compliance with the bill report the information to the Department of Administration and that the Department of Administration compile the agency reports into a comprehensive report. It is assumed that Section 4 could be accomplished by state agencies with existing resources.

Technical Notes:

1. The fuel economy standards as outlined in Section 2 currently exceed the proposed National Highway Traffic Safety Administration (NHTSA) CAFÉ standards for Model Year (MYs)2008-2011. The state Motor Pool projects that it could not purchase light duty trucks that would meet the proposed CAFÉ standards as cited in HB 449. It is also projected that the passenger cars would not meet the proposed standard as of January 1, 2011. CAFÉ standards apply to Model Year while this bill is requires compliance with CAFÉ standards by a calendar year.
2. This bill may be in conflict with Federal Executive Order 13132 which affirms that a state may not impose a legal requirement relating to fuel economy, whether by statute, regulation or otherwise, that conflicts with this rule (CAFÉ standards). <http://www.nhtsa.dot.gov/cars/rules/rulings/LightTrucksRuling-2008-2001/ProposedRulemaking/CAFE-LighTrucks-PR.pdf> (pages 149 – 150).

Sponsor's Initials

Date

Budget Director's Initials

Date